



James K. Smith
Executive Director-
Federal Regulatory

SBC Telecommunications, Inc.
1401 I Street, N.W.
Suite 1100
Washington, D.C. 20005
Phone 202 326-8883
Fax 202 408-4801

EX PARTE OR LATE FILED

RECEIVED

JUL 18 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

July 18, 2000

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-A325
Washington, DC 20554

Re: **Ex Parte Statement**
*Applications for Consent to the Transfer of Control of Licenses and
Section 214 Authorizations from Ameritech Corporation, Transferor, to
SBC Communications Inc., Transferee, CC Docket. No. 98-141; ASD File
No. 99-49*

Dear Ms. Salas:

On July 17, 2000 Priscilla Hill-Ardoin, Austin Schlick, and I on behalf of SBC
Communications, Inc. met with Sarah Whitesell, Legal Adviser to Commissioner
Tristani.

The purpose of these meetings was to discuss the attached document.

Sincerely,

Attachment

No. of Copies rec'd 012
List A B C D E



Mr. Lawrence Strickling
Chief, Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

RECEIVED
JUL 18 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: *Applications for Consent to Transfer Control of Licenses and Section 214
Authorizations from Ameritech Corporation, Transferor, to SBC
Communications Inc., Transferee, CC Docket 98-141; ASD File No 99-49*

Dear Mr. Strickling:

On February 15, 2000, SBC Communications Inc. ("SBC") sought the Bureau's concurrence regarding SBC's interpretation of specific SBC/Ameritech merger conditions as applied to certain network equipment. Specifically, it is SBC's belief that the merger conditions authorize the SBC/Ameritech incumbent LECs to own combination POTS/ADSL plugs/cards located in remote terminals as well as optical concentration devices ("OCDs") located in central offices.

The Commission sought public comment on SBC's request, which resulted over the course of nearly five months in a substantial record, including numerous *ex parte* filings and presentations, reflecting the views of all interested parties. SBC continues to believe that its interpretation of the merger conditions is correct and that *no* waiver or modification of the merger conditions is necessary for the SBC/Ameritech incumbent LECs to own, install, and operate this equipment. The legal basis for our belief was set out particularly in SBC's March 10 Reply Comments and June 2 *ex parte* letter to Ms. Matthey.

It is imperative that the matter be resolved soon. When fully deployed, the \$6 billion Project Pronto initiative will improve the reliability of SBC's POTS networks while bringing xDSL service to 20 million customers – particularly residential customers – who cannot be served today. Any further delays will deny consumers who are not currently eligible for any xDSL service new, competitive alternatives to their cable TV company's broadband service, while preventing CLECs from using the Project Pronto architecture to offer xDSL services. In addition, SBC is now in the process of investing hundreds of millions of dollars to deploy new and upgraded remote terminals. That investment cannot be put to use while we wait for resolution of this regulatory issue. The delay in deploying remote terminals has already affected approximately 150,000 households. More than a half million households that could be served from remote terminals will be denied advanced service capabilities and competitive choice within the next several months if a

Mr. Lawrence Strickling

July 13, 2000

Page 2

decision is not forthcoming. The market is being further skewed in favor of cable modem providers with each passing day.

While SBC's request for an interpretation of the merger conditions was narrow in scope, many parties used the request as a vehicle to raise a host of industry-wide issues that SBC believes would more appropriately be considered, if at all, in a generic rulemaking proceeding. Nonetheless, SBC is prepared to make voluntary commitments addressing these issues in a good-faith effort to resolve commenting parties' stated concerns. Specifically, to facilitate expeditious resolution of this matter, SBC is prepared to make the commitments attached to this letter, subject to Commission determination that SBC's incumbent LECs may own and operate the POTS/ADSL remote terminal equipment and OCDs, or a waiver or modification of the merger conditions to permit this.

The commitments address several issues. First, some commenters have expressed a desire that equipment located in remote terminals provide additional features and functions to match the commenters' own business plans. The proposed commitments set forth a process for discussing and evaluating commercial arrangements pertinent to deployment of such features and functions.

Second, some parties have questioned SBC's motives in deploying a next generation digital loop carrier ("NGDLC") architecture, suggesting that Project Pronto will involve widespread removal of existing copper facilities that competitors may want to use to provide their own advanced services. The proposed commitments address this concern by setting forth specific copper maintenance and replacement notification policies.

The proposed commitments additionally will provide the pro-competitive benefit of eliminating the need for carriers to deploy their own equipment at SBC's remote terminal sites, by requiring a new Broadband Service Offering that will be available to all affiliated and unaffiliated carriers on a nondiscriminatory basis and will be priced according to UNE pricing principles. To address the concerns of carriers that want to offer both voice and data services using NGDLC, the proposed commitments also include a Combined Voice/Data Service Offering (also priced under UNE pricing principles) that uses a single copper facility between the remote terminal and the customer's premises. The proposed commitments set forth specific performance measurements for both offerings so that nondiscriminatory provision of these services can be tracked.

Finally, for those carriers seeking to deploy their own equipment at remote terminal sites, the proposed commitments include provisions regarding the availability and provisioning of space within or adjacent to SBC's remote terminals. The proposed commitments provide for Special Construction Arrangements to meet carrier-specific space requirements and to provide access to copper facilities at remote terminal sites.

These new proposed commitments incorporate SBC's prior commitment to incur additional costs of at least \$350 million to facilitate use of the NGDLC equipment by

Mr. Lawrence Strickling

July 13, 2000

Page 3

other carriers. They reflect SBC's good-faith efforts to address legitimate questions and concerns raised by parties in this proceeding, without undermining the economic viability of Project Pronto or the competitive benefits of providing end users and other carriers access to NGDLC equipment at affordable prices. SBC urges that this matter be addressed expeditiously through an interpretation, waiver, or modification of the merger conditions, so that consumers and carriers can benefit from additional advanced telecommunications capabilities and increased competitive choice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paula Hill".

cc: Ms. Carol Matthey
Mr. Anthony Dale
Ms. Dorothy Attwood
Mr. Jordan Goldstein
Ms. Sarah Whitesell
Ms. Rebecca Beynon
Mr. Kyle Dixon

SBC VOLUNTARY COMMITMENTS

Incumbent LECs' Ownership of Equipment to Provide Nondiscriminatory Wholesale Services to Advanced Services Providers

1. Notwithstanding Paragraph 3d or any other provision of the Merger Conditions, and subject to the limitations set forth herein, the SBC/Ameritech incumbent LECs may own, lease, deploy, install, maintain and/or operate: 1) facilities or network equipment, including integrated Advanced Services Equipment, Next Generation Digital Loop Carrier ("NGDLC") equipment and related equipment and software that support both POTS and xDSL services and are located in remote terminals; and 2) ATM switches/Optical Concentration Devices ("OCDs") installed in central offices that are used to provide advanced services wholesale service arrangements to affiliated and/or unaffiliated providers of Advanced Services on nondiscriminatory rates, terms, and conditions. These facilities and network equipment shall be used, in whole or in part, to provide the wholesale services herein and similar nondiscriminatory wholesale services that may be offered in the future. This paragraph shall not, however, authorize the SBC/Ameritech incumbent LECs to provide Advanced Services directly to retail end users.

2. Broadband Service Offering.

No later than September 1, 2000, the SBC/Ameritech incumbent LECs will offer all telecommunications carriers, including their separate Advanced Services affiliate(s), nondiscriminatory access to a combined wholesale broadband service where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services. The broadband service shall utilize a combined network arrangement consisting of: copper facilities from the NGDLC device deployed in remote terminals sites (includes CEVs, huts, and cabinets) to the end user location; a permanent virtual circuit that consists of ATM data transported over a common OC-3c fiber facility from the NGDLC in the remote terminal terminating on the central office fiber distribution frame and delivered to a leased affiliated or unaffiliated telecommunications carrier port on the SBC/Ameritech incumbent LEC's OCD in the serving wire center; and a port on the SBC incumbent LEC's OCD with associated cross-connects to extend the port to a point of affiliated or unaffiliated telecommunications carrier virtual or physical collocation.

The rates, terms and conditions of this end-to-end wholesale broadband service will be nondiscriminatory and such service will be priced in each state in accordance with the pricing methodology then applicable to unbundled network elements under Sections 251(c)(3) and 252(d)(1) of the Communications Act, except that the service will not be subject to geographic deaveraging. SBC will establish the performance measurements set out in Attachment A within 120 days of service implementation to track the nondiscriminatory provision of such wholesale broadband service.

3. **Combined Voice/Data Service Offering.**

Within 90 days of the Commission's concurrence with SBC/Ameritech's position on ownership issues pending before the Commission, SBC's incumbent LECs will offer to all telecommunications carriers, including their separate Advanced Services Affiliates, a combined voice and data service offering where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services. This offering will utilize an underlying voice loop provisioned over NGDLC delivered to the Main Distribution Frame ("MDF"). Use of this element plus the existing fiber feeder and OCD port elements (to provision the high frequency portion of the loop) would be offered to provide a combined voice and data solution that allows a telecommunications carrier collocated in the SBC/Ameritech incumbent LEC's serving central office to provide voice and data services via a single copper facility from the remote terminal to the customer premises.

The rates, terms and conditions of this combined voice and data service will be nondiscriminatory and such service will be priced in each state in accordance with the pricing methodology then applicable to unbundled network elements under Sections 251(c)(3) and 252(d)(1) of the Communications Act, except that the service will not be subject to geographic deaveraging. SBC will establish the performance measurements set out in Attachment A within 120 days of service implementation to track the nondiscriminatory provision of such wholesale broadband service.

4. **Features and Functions.**

(a) **Existing Features and Functions.** Upon request and except as described below, SBC/Ameritech incumbent LECs will make available to all telecommunications carriers (including SBC/Ameritech's separate Advanced Services affiliate(s)) all technically feasible Advanced Services features and functions of equipment (e.g., an ADLU card) installed in remote terminals where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services.

The availability of such existing features and functions is subject to the factors specified in Paragraph 8 below and a determination by the SBC/Ameritech incumbent LECs, after consultation with the affected telecommunications carriers, that such features and functions would not reduce the capacity of the remote terminal so as to render the remote terminal unable to meet the forecasted demand for SBC/Ameritech's and unaffiliated telecommunications carriers' POTS and advanced services. Rates, terms, and conditions for such features and functions will be nondiscriminatory.

Specifically, SBC/Ameritech will make available for deployment for use by affiliated and unaffiliated advanced service providers: two virtual path circuits per end user and CBR Class of Service (CoS) for xDSL on a Remote Terminal per Remote Terminal basis (if xDSL-capable) starting within six months of the Commission's concurrence with SBC/Ameritech's position on

the ownership issues pending before the Commission, consistent with this paragraph and subject to the factors specified in Paragraph 8 below.

(b) **Future Features and Functions.** As to xDSL features and functions that vendors may develop in the future for use on SBC/Ameritech equipment deployed in remote terminals, the SBC incumbent LECs will evaluate and discuss with interested telecommunications carriers in collaborative sessions described in Paragraph 8 below such features or functions, including in response to specific requests from telecommunications carriers, to determine whether there is a practical and technically feasible means to deploy such features and functions where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services.

The availability of such future features and functions will be subject to factors listed in Paragraph 8 below. Rates, terms, and conditions for deployment of such future features and functions will be nondiscriminatory and may include terms for testing, technical and market trials, and demand forecasts and commitments. Such negotiations shall be consistent with the principle that SBC/Ameritech seeks to optimize the use of its network by SBC/Ameritech and unaffiliated telecommunications carriers and supports the development of new xDSL features and functions. Deployment will be subject to a determination by the SBC/Ameritech incumbent LECs, after consultation with affected carriers, that such features and functions would not reduce the capacity of the remote terminal so as to render the remote terminal unable to meet the forecasted demand for SBC/Ameritech's and unaffiliated telecommunications carriers' POTS and advanced services.

Specifically, SBC/Ameritech will make G.lite available for deployment for use by affiliated and unaffiliated advanced services providers, on a remote terminal by remote terminal basis (if xDSL-capable) starting within six months after development and commercial availability by its vendors and consistent with this paragraph and subject to the factors listed in Paragraph 8 below. All other future-developed features and functions such as SHDSL and other ATM qualities of service (nrt-VBR and rt-VBR) will be considered within the context of collaborative sessions described in Paragraph 8.

When making purchasing decisions with respect to future xDSL features and functions, SBC/Ameritech shall evaluate both retail and wholesale customer needs.

5. **Provision of Additional Space in or Adjacent to Remote Terminals.**

(a) **Existing Remote Terminals.** In existing remote terminals where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services, the SBC/Ameritech incumbent LECs will provide collocation consistent with environmental requirements (including power and heat dissipation) and in accordance with Commission rules, except that the SBC/Ameritech incumbent LECs will, where available, make space available in increments as small as a single shelf of equipment. At existing remote terminals where space is not available, no later than September 1, 2000, the SBC/Ameritech incumbent LECs will offer a Special

Construction Arrangement ("SCA") process described below in response to a telecommunications carrier's request for space.

(b) Future-Deployed Remote Terminals

(b)(1) **Future-Deployed Huts and CEVs**. As to future-deployed SBC/Ameritech huts and CEVs using a NGDLC architecture that supports both POTS and xDSL services, after September 1, 2000, the SBC/Ameritech incumbent LECs will deploy these structures (which generally serve 2,000 or more lines) so that approximately 20% of the space that can be used to install equipment in those structures for telecommunications carriers will be made available to all telecommunications carriers under the Commission's collocation rules without the need for a SCA.

(b)(2) **Future-Deployed Cabinets**. As to future-deployed SBC/Ameritech cabinets using a NGDLC architecture that supports both POTS and xDSL services, no later than September 1, 2000, the SBC/Ameritech incumbent LEC will offer a SCA process described below in response to a telecommunications carrier's request for space at a new cabinet site. (Cabinets generally serve fewer than 2,000 lines.) In response to a SCA and consistent with its terms and conditions, the SBC incumbent LECs will deploy the new cabinet so that approximately 15% of the space that can be used to install equipment in such cabinet will be made available to all telecommunications carriers, or at the discretion of the SBC/Ameritech incumbent LEC, otherwise make access arrangements available using an adjacent cabinet structure. Requesting carriers will pay their proportionate share of the actual costs incurred by the SBC/Ameritech incumbent LECs for preparing and making this space available to those carriers. Costs calculated by SBC/Ameritech in accordance with the costing procedures set forth in Part 64 of the Commission's rules shall be presumed to satisfy the actual cost requirement as used in paragraph 5. For all future-deployed cabinets using a NGDLC architecture, the SBC/Ameritech incumbent LECs will pre-plan those remote terminal sites to accommodate a future adjacent structure(s).

(c) **Special Construction Arrangement - Structures**. No later than September 1, 2000, SBC/Ameritech will establish a SCA process for processing a telecommunications carrier's request, including the request of a separate Advanced Services affiliate, for space to install the carrier's owned or leased equipment either in an existing or future deployed remote terminal or, in a newly deployed adjacent cabinet structure.

The following general terms shall govern the SCA process, which shall be made available for remote terminals where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services: 1) in response to a SCA, the SBC/Ameritech incumbent LEC has the discretion of installing a larger cabinet with regard to future-deployed remote terminals, enlarging existing remote terminals, or in either case making available an adjacent cabinet structure; 2) a telecommunications carrier requesting a SCA for a particular site shall pay all of the actual construction costs, including materials, labor, and other related costs (e.g. power and

cooling, including the initial and ongoing costs to provide such power and cooling) incurred in providing such additional space in either an expanded or adjacent cabinet structure; 3) a telecommunications carrier requesting a SCA shall pay an application fee that reflects SBC/Ameritech's actual costs; 4) a telecommunications carrier requesting a SCA shall provide a down payment in an amount not less than 50% of the total estimated construction costs after the estimate has been accepted by the telecommunications carrier and before actual construction begins, with the balance payable upon completion; 5) if more than one telecommunications carrier requests additional space or adjacent cabinet structure at a given remote terminal site, costs of construction shall be allocated among the requesting telecommunications carriers in proportion to the amount of space or cabinet structure that each has requested; 6) the telecommunications carrier(s) who pay for the construction and development of such adjacent cabinet structure will own the structure, except that the issue of ownership may be negotiated between the SBC/Ameritech incumbent LEC and the telecommunications carrier(s) on a site-by-site basis; 7) regardless of which entity owns the adjacent structure, the SBC/Ameritech incumbent LECs will offer to manage adjacent cabinet structures subject to reaching an agreement on acceptable terms and conditions; 8) the SCA must be submitted at least 90 days before the requested larger cabinet or adjacent cabinet structure is to be installed; 9) the rates, terms, and conditions of SCAs shall be made available to all telecommunications carriers on a nondiscriminatory basis, provided that implementation of the SCA is technically feasible and existing POTS and advanced services provided by SBC/Ameritech and/or other telecommunications carriers will not be adversely affected by the SCA arrangement.

(d) Access to Copper Subloop and Dark Fiber and Associated SCA. No later than September 1, 2000, in situations where SBC/Ameritech deploys a NGDLC architecture that supports both POTS and xDSL services, the SBC/Ameritech incumbent LECs shall provide, on a case-by-case basis, a SCA process available to a requesting telecommunications carriers, including their separate Advanced Services affiliate(s), for access to the copper subloop for the purpose of enabling the requesting carrier to connect its equipment at a remote terminal site, including an adjacent cabinet structure, with applicable copper extending to the subtending Service Area Interface(s) ("SAI"). The following general terms shall govern the SCA for access to the copper subloop and dark fiber: 1) the SBC/Ameritech incumbent LECs will either use existing copper or construct new copper facilities from the SAI(s) to the telecommunications carrier in or at an remote terminal and/or construct an engineering controlled splice (which shall be owned by the SBC/Ameritech incumbent LECs) at the remote terminal site; 2) a telecommunications carrier requesting such a SCA shall pay an application fee that reflects SBC/Ameritech's actual costs; 3) a telecommunications carrier requesting a SCA shall provide a down payment of not less than 50% of the total estimated construction costs and related provisioning costs after an estimate has been accepted by the carrier and before construction begins, with the balance payable upon completion; 4) a telecommunications carrier requesting such a SCA shall pay all of the actual construction, labor, materials and related provisioning costs on a time and materials basis; 5) if more than one or a subsequent telecommunications carrier obtains space in expanded remote terminals or adjacent structures and interconnects with the new copper interface point at the remote terminal, the initial telecommunications carrier

which incurred the costs of construction of the engineering controlled splice and/or additional copper/fiber shall be reimbursed those costs in equal proportion to the space or lines used by the requesting carriers; 6) SBC/Ameritech will require a separate SCA for each remote terminal site; 7) the SCA must be submitted at least 90 days before access to the copper subloop or dark fiber is to be provisioned; and 8) the terms and conditions of such a SCA shall not discriminate among unaffiliated telecommunications carriers or SBC/Ameritech's separate Advanced Services affiliates.

Where SBC/Ameritech deploys new fiber feeder facilities to support a NGDLC architecture that supports both POTS and xDSL services and in response to a completed SCA, the SBC/Ameritech incumbent LECs will terminate available spare dark fiber for telecommunications carrier(s) having equipment located at such remote terminal sites or adjacent cabinet structures consistent with applicable Commission rules.

(e) **Preservation of Existing Services.** Initiatives undertaken pursuant to these provisions are subject to developing procedures such that SBC/Ameritech and other telecommunications carriers' existing POTS and Advanced Services and underlying network capacity are not adversely affected.

(f) **Easements and Rights-of-Way.** The availability of space in either existing, expanded or adjacent cabinet structures at remote terminal locations is subject to the availability and requirements of private easements and/or public right-of-way obligations. Telecommunications carriers are responsible for obtaining necessary easements and rights-of-way and associated fees or obligations for placing equipment, facilities, and structures. SBC/Ameritech will cooperate in good faith with the telecommunications carrier to facilitate obtaining all such required permissions.

6. **Central Office OCD Collocation.**

Upon request from a telecommunications carrier, SBC will provide space for telecommunications carriers to collocate their own OCDs or functionally equivalent equipment used to provide Advanced Services, consistent with environmental (including power and heat dissipation) requirements in accordance with the Commission's collocation rules.

7. **Copper Maintenance and Notification.**

Given that SBC/Ameritech's deployment of NGDLC architecture in remote terminals will result in a fiber overlay network, SBC/Ameritech has no current plans or plans under development to retire mainframe terminated copper facilities related to that deployment. SBC/Ameritech has the right to manage its network facilities, including determining whether a copper facility is providing acceptable levels of service and can be economically maintained. SBC/Ameritech will continue to follow its established copper retirement policy and, as such, will consider the factors including the following before it will retire a mainframe terminated copper

facility between the central office and the end user's premises: (1) whether the cost to maintain the copper facility for an acceptable level of service is greater than the cost to replace it with fiber and associated electronics; (2) whether public requirements force facility relocation; (3) whether all ducts and manholes are blocked and more network capacity is required on a given route; (4) whether a copper feeder cable is underutilized and the cost to maintain the copper is greater than fiber and associated electronics replacement cost; or (5) Acts of God or catastrophic failure. When making the determination whether to retire a copper facility thereof between the central office and the end user's premises, SBC/Ameritech will not give weight to whether the telecommunications carrier(s) using the copper (or that wish to use the copper) are affiliated or unaffiliated with SBC/Ameritech. Where SBC/Ameritech deploys new fiber feeder facilities to support a NGDLC architecture that supports both POTS and xDSL services and SBC/Ameritech decides to retire copper related to that deployment, SBC/Ameritech will provide via an Internet website posting to local service carriers operating in SBC/Ameritech states, six months notice (with the exception of unexpected service outages and Acts of God) of any retirement of copper facilities terminated at the central office Main Distribution Frame. SBC/Ameritech shall offer to sell (except when ducts are blocked) such facilities that are to be retired on an "as is" basis at market-based prices to unaffiliated parties. The offer to sell such facilities need not be made on less than a sheath basis and is subject to the purchaser complying with any pole attachment, private easement, and public rights-of-way requirements. The purchaser of the copper facility also will be responsible for ongoing maintenance of the facility and resolving associated issues with other carriers that may utilize that cable.

The application of the above described copper retirement policy during the next 3 years will result in the retirement of no more than 5% of SBC/Ameritech's incumbent LECs' total mainframe terminated copper facilities in service as of September 1, 2000.

8. Industry Collaborative Sessions.

No later than September 1, 2000, SBC/Ameritech incumbent LECs shall begin hosting collaborative sessions with all interested telecommunications carriers, including its separate Advanced Services affiliate(s), vendors, and other members of the telecommunications industry to address operational and technical issues regarding access to NGDLC remote terminals and new types of xDSL features and functions that may be provided via NGDLC. Any transcripts and summaries of action items that may result from such sessions will be made publicly available. Provided, however, that collaborative sessions need not be held or continued on an issue in the event that substantially the same issue is the subject of a pending or completed Commission rulemaking proceeding.

During such collaborative sessions the following types of issues will be addressed regarding features and functions that are requested to be deployed by the SBC/Ameritech incumbent LECs: technical and operational feasibility; commercial arrangements pertinent to the deployment of such features and functions and how those costs (e.g., costs of procuring, developing, provisioning, deploying and maintaining such features and functions) will be

recovered; whether technical, operations support systems and operational trials will be needed and how they will be conducted; and whether such features and functions will reduce the capacity of remote terminals to meet the forecasted demand for advanced services and POTS. SBC/Ameritech will approach such discussions from the presumption that it seeks to optimize the use of its network by affiliated and unaffiliated carriers and support the development of new xDSL features and functions.

Within these collaborative sessions, SBC/Ameritech will follow a process that conforms to the following framework to assess telecommunications carriers' requests and to make decisions on which requests will ultimately result in service deployment:

(a) **Customer-specific requests.** Under this process, the telecommunications carrier will submit a sufficiently detailed request for the service/functionality that it wants SBC/Ameritech to deploy. This request shall include desired network and operations functionality, service quality requirements, scope of deployment, and demand forecasts/commitments. SBC/Ameritech will develop a detailed responsive quote. The SBC/Ameritech quote will identify the technical feasibility of providing the desired service/functionality, pricing, timing of delivery and other pertinent attributes of the offering that SBC/Ameritech is able to provide in response to the customer's request.

(b) **General offerings.** SBC will establish a standing Telecommunications Carrier Product Forum to facilitate regular, ongoing customer-supplier dialogue on development and deployment of new Advanced Services/functionalities using NGDLC equipment. This forum will operate on a quarterly cycle and will have both SBC/Ameritech product and technical representation, as well as equipment vendor representation as needed, in addition to telecommunications carriers participation.

SBC/Ameritech representative(s) will act as Chair of the forum and of a steering committee consisting of a single representative and alternate from each interested telecommunications carrier (or a representative of a group of carriers) actively using wholesale broadband and/or combined voice/data services deployed via NGDLC architecture. In addition, there shall be two standing subcommittees with representation from SBC/Ameritech and interested telecommunications carriers actively using wholesale broadband/or combined voice/data services deployed via NGDLC architecture: (1) Service Definition and (2) Operations.

The Service Definition Subcommittee's responsibility will include identification of detailed service requirements including desired network and operations functionality, service quality requirements, scope of deployment, and demand forecasts. The Operations Subcommittee's responsibility will include organization, planning and execution of pre-deployment trials as well as early deployment process improvement recommendations. The role of forum leadership will include formalization of service definition and commitment to demand forecasts, plus prioritization of telecommunications carrier service/functionality requests, and service deployment business cases.

9. **Advanced Services Applicability.**

These provisions apply in the context of Advanced Services and will remain in effect so long as SBC/Ameritech is required to provide Advanced Services through a separate Advanced Services affiliate in the relevant state under Paragraph 12 of the Merger Conditions.

10. **Enforcement.**

These provisions are subject to the enforcement provisions of Section XXVIII of the Merger Conditions.

Attachment A

Performance Measurements

The following performance measurements will be applicable to the new broadband service and combined voice/data offerings. However, as these measures have been identified prior to implementation of the services and various regulatory bodies will have input, these measures are subject to possible modification.

SWBT, Ameritech and SNET Performance Measurements

OSS

1 - % Firm Order Confirmations (FOC) Received Within "X" Hours

Provisioning

4c – SBC Caused Missed Due Dates

5c - % Installation Trouble Reports within 30 days

8 – Average Installation Interval

Maintenance

11c - % Repeat Reports

12c – Mean Time to Restore

13c – Trouble Report Rate

Pacific Bell Performance Measurements

OSS

1 – Average Firm Order Confirmations (FOC) Notice Interval

Provisioning

4c – Percent of Due Dates Missed

5c – Percentage Troubles In 30 Days For New Orders

8 – Average Completed Interval

Maintenance

11c – Frequency of Repeat Troubles in 30 Day Period

12c – Average Time to Restore

13c – Customer Trouble Report Rate